



**STATE OF DELAWARE
STATE EMPLOYEE BENEFITS COMMITTEE
GROUP HEALTH CARE INSURANCE
(effective 5/03)
EMPLOYEES ELIGIBLE TO PARTICIPATE**

(Used to determine who may enroll. See "Cost of Coverage" to determine the amount of State contributions, toward an employee's coverage.)

- 1.00 Pursuant to the authority vested in the State Employee Benefits Committee by 29 Del. C. 5210(4), 9602(b)(4), the State Employee Benefits Committee adopts these eligibility and coverage rules for the State of Delaware Group Health Insurance Program. In the event of a conflict with the *Delaware Code*, the *Delaware Code* takes precedence over these rules.
- 1.01 An Employee must meet one of the following definitions to be eligible for coverage under the State's plan:
 - a. a permanent full-time employee (regularly scheduled 30 or more hours per week or 130 or more hours per month);
 - b. an elected or appointed official as defined by 29 Del. C. 5201;
 - c. a permanent part-time employee (regularly scheduled to work less than 130 hours per month);
 - d. a limited term employee (as defined by Merit Rule 12.0240);
 - e. a pensioner receiving or eligible to receive a pension from the State;
 - f. All per diem and contractual employees of the Delaware General Assembly who have been continuously employed for 5 years.
- 1.02 Those employees who meet the definition outlined in rule 1.01(a), (b), and (e) are considered "Regular officers, employees, or pensioners" as outlined by State Statute and are thus entitled to State Share contributions.
- 1.03 Temporary, casual and seasonal and substitutes are not eligible to participate in the state's plan.
- 1.04 Newly employed school teachers become eligible employees when they start employment not when they sign their contract. (Review the Coverage & Contribution Table for coverage start date - dependent upon the September hire date). Temporary teachers who are re-hired in September are eligible to elect coverage when re-hired. Temporary teachers who are re-hired in the next contract year are eligible to elect coverage when re-hired without fulfilling another 3-month waiting period.

DEPENDENTS ELIGIBLE TO PARTICIPATE

2.01 An employee's dependents must meet one of the following definitions to be eligible for coverage under the State's plan:

- a. an employee's legal spouse (Delaware law does not recognize common law marriage. Ex-spouses may not be enrolled in the State's group health insurance program - even if a divorce decree requires an employee to provide coverage for an ex-spouse);

IMPORTANT NOTE: Spousal Coordination of Benefits Policy has been in effect since 1/1/93. The policy is for a spouse who is eligible for health coverage through his or her own employer. Spouses who work full-time and are eligible for health coverage through their employer, but do not enroll under their employer's health plan, will have a reduction in benefits under the State Health Insurance Plan. Employees should refer to the individual benefit booklets for each plan for more detailed information.

- b. an unmarried dependent child under age 21 (age 24 if a full-time student), born to or legally adopted by an eligible employee or an eligible employee's legal spouse;
- c. an unmarried dependent child under age 21 (age 24 if a full-time student), not born to or legally adopted, but residing with an eligible employee or an eligible employee's legal spouse in a regular parent-child relationship and dependent upon the employee or employee's legal spouse for at least fifty (50) percent support. A statement of support form must be completed by the employee and forwarded with the application for coverage. If a natural parent resides in the same household as the insured employee or insured employee's spouse, it will be deemed that a regular parent child relationship does not exist;
- d. an unmarried dependent child born to or legally adopted by an eligible employee or an eligible employee's legal spouse over age 21 and dependent upon an eligible employee or an eligible employee's spouse for support and incapable of self support because of a mental or physical disability which existed before the child reached age 21, or age 24 if a full-time student. The child must have been covered under your contract immediately preceding age 21, or age 24 if a full-time student.
- e. an eligible dependent child covered under the health insurance plans of both spouses will be primary to the spouse's plan whose birthday is the first to occur during the calendar year. In the event the birth dates are the same, the dependent child will be primary to the parent with the longest service. In the event birth dates and length of service is the same, the dependent child will be primary to the male parent's plan.

COVERAGE

- 3.01 Coverage of an eligible employee and his or her eligible dependents will become effective on the first of the month following date of hire provided the employee submits a signed application within thirty (30) days of the employee's date of hire or within (30) days of the employee becoming eligible for the State Share. Refer to COVERAGE & CONTRIBUTION TABLE for specific coverage date options for employees who elect coverage when eligible for State Share.

IMPORTANT: Spousal Coordination of Benefits Policy became effective 1/1/93 for a spouse who is eligible for health coverage through his or her own employer. Spouses who work full-time and are eligible for health coverage through their employer, but do not enroll under their employers' health plan, will have a reduction in benefits under the State health insurance plan. Employees should refer to the individual benefit booklets for each plan for more detailed information.

- 3.02 Employees must sign an updated enrollment form and/or confirmation statement during each annual open enrollment period. Failure to return the signed form(s) will result in termination of optional health care benefits.
- 3.03 Employees who cover their spouse on their State of Delaware health care contract must complete a Spousal Coordination of Benefits Policy Form during the annual open enrollment period as well as anytime there is a change in the spouse's employment status. Failure to supply the Spousal Form along with the enrollment form and/or confirmation statement could result in the spouse's claims to be paid at 20%.
- 3.04 If an employee elects not to enroll in the State's Group Health Insurance Program, the employee must complete and sign an application/enrollment form acknowledging the desire not to enroll by noting "waive" on the appropriate form.
- 3.05 Eligible employees who fail to submit a completed and signed application/enrollment form within 30 days of their Start Date or their date of eligibility for State Share may not join the group until the next open enrollment period (usually May), unless the employee meets the requirements of Rule 3.06.
- 3.06 An employee who elects not to join the State's plan or elects not to enroll their spouse because their spouse has health coverage and later involuntarily loses the coverage, the State employee and/or spouse is eligible to join the State's plan within 30 days of the loss of coverage without waiting for the next open enrollment period. If such a change is not made in the time period specified, the eligible employee/and or spouse must wait until the next open enrollment period. An increase in employee contribution, change of benefits or change of carrier of the spouse's plan shall not constitute loss of coverage.

- 3.07 If an employee declines enrollment for themselves or their dependents (including the spouse) because of other health insurance coverage, the employee may in the future be able to enroll themselves or their dependents in the plan, provided that they request enrollment within 30 days after the other coverage ends. The eligible employee who is currently enrolled in the Basic plan, may increase from Basic to optional coverage upon the spouse's involuntary loss of coverage and addition to the state contract, provided application is made within 30 days of the loss of spouse's coverage. In addition, if the employee has a new dependent as a result of marriage, birth, adoption, or placement for adoption, the employee may be able to enroll themselves and their dependents provided that they request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption.
- 3.08 When husband and wife are eligible State employees, the two employees, or each eligible pensioner, and all eligible dependents may elect to enroll under one family contract. When the employees are both active, and an employee & spouse or family contract is chosen, the spouse whose birthday occurs earlier in the calendar year shall sign an application for coverage form requesting coverage. A change of agency is considered re-enrollment. (In the event the birth dates are the same, length of service and/or gender will be applied as described in Section 2.01(e)). Beginning with the effective date of these rules, State Share contributions for all new enrollments will be charged to the agency or organization whose employee enrolls the family for coverage. All enrollments prior to February 1990 shall continue to be charged to the agency or organization as was previously determined.

Each employee, or each eligible pensioner, may elect to enroll under a separate contract. Eligible dependents may be enrolled under either contract, but no dependent shall be enrolled more than once under the State of Delaware Group Health Insurance Program.

The increment of cost of the options selected by the two employees, which exceeds the cost of two basic family plans, shall be deducted by the Director of State Personnel from salary or pension.

- 3.09 When the spouse of an eligible employee is a retired State of Delaware employee receiving a pension, and enrolled under separate individual contracts, the agency and the Pension Office will carry the coverage for their respective employee/pensioner. If an Employee & Spouse, or a Family contract is chosen, the coverage will continue to be carried through the active employee's agency until such time that the Pensioner turns 65. The over age 65 spouse may continue to have the State's plan as primary payor of benefits with the contract to continue under the active employee's agency, or they may choose Medicare as the primary payor through the Pension Office.

CHANGES IN COVERAGE

- 4.01 An eligible employee who elects to be covered on their EMPLOYMENT COVERAGE DATE may change coverage when the employee first becomes eligible for the State Share payment. (Examples: (1) An employee who at hire enrolls in the “Basic” plan may change to “Comprehensive PPO” (or another optional coverage) when they begin State Share contribution, without waiting for the next open enrollment period. (2) An employee who at hire enrolls for “Individual” coverage may change to “Individual and Child(ren)”, “Employee and Spouse”, or “Family” coverage when he or she begins to receive State Share, without waiting for the next open enrollment period.
- 4.02 When a covered employee marries, coverage for the spouse will become effective on the date of marriage, or first (1st) of the month following the date of marriage provided the employee submits the application to add the new spouse within 30 days of the date of the marriage. Premiums are paid on a monthly basis and not pro-rated, therefore if an employee adds the new spouse effective the date of the marriage, the employee must remit the difference in employee contribution for the entire month. The employee must submit a signed application within thirty (30) days prior to or thirty days following the date of marriage. If such a change is not made in the time period specified, a covered employee must wait until the next open enrollment period to add the spouse. ***(Spousal Coordination of Benefits Policy form must be completed and received with application to add spouse to coverage).***
- 4.03 Coverage for a child born to an employee or legal spouse who is covered under the State’s plan will begin on the date of birth provided an application for the child is made within thirty (30) days of the date of birth and the required employee contribution, if any is paid. If such a change is not made in the time period specified, a covered employee must wait until the next open enrollment period to add the child. For an employee who has an existing Employee and Child(ren), or Family type contract, the 30-day time period does not apply. However, the application to add the newborn child must be made within a reasonable time period.
- 4.04 Coverage for an eligible dependent, other than a newborn child, who becomes an eligible dependent after the employee has been enrolled, becomes covered on the first (1st) day of the month following the acceptance of the application and applicable payment is made within 30 days of the date that the family member became eligible.
- 4.05 An employee who transfers to another agency or school district may change the plan and coverage without waiting until the next open enrollment period if the transfer impacts the employee contribution to their health benefits provided the employee makes the required change within 30-days of the transfer.

- 4.06 Changes in coverage can only be made at the annual open enrollment period unless coverage is reduced to “Basic”, or unless an employee is making a change due to divorce, marriage, birth of a child, addition of an eligible dependent, or transfer as previously outlined in this section. In the case of divorce, marriage, birth of a child, addition of eligible dependent, or transfer, the coverage status may change, but the plan cannot. The employee may change plans if their spouse has become a State of Delaware employee entitled to State Share and an Employee & Spouse or Family contract is chosen. An eligible employee may change coverage and/or plan if no longer entitled to double state-share, provided application is made within thirty (30) calendar days of the qualifying event. An eligible employee may increase from Basic to optional coverage upon the spouse's involuntary loss of coverage and addition to the state contract, provided application is made within 30 days of the of the loss of the spouse's coverage.
- 4.07 An eligible employee or an employee's legal spouse (eligible to receive State Share) who reaches age 65 and becomes eligible for Medicare shall continue to be covered under the State's plan as the primary payor of benefits. Employees and dependents eligible for Medicare, by reason of age or disability, must apply for Medicare Part A at their first eligibility regardless of their coverage under the State's plan.
- 4.08 An employee who becomes eligible for pension may change their plan at the onset of receiving their pension.
- 4.09 An employee who is required by Court or administrative order to provide health insurance coverage for a child and the parent is eligible for family health coverage shall be permitted:
- a. To enroll under family coverage any child who is eligible for such coverage (without regard to any enrollment season restriction).
 - b. If the parent is enrolled, but fails to make application to obtain coverage of the child, the agency shall enroll the child under such family coverage upon application by the child's other parent, the Division of Child Support Enforcement or Division of Social Services.
 - c. Not disenroll (or eliminate coverage of) any child unless the employer is provided satisfactory written evidence such as:
 1. The Court or administrative order is no longer in effect, or
 2. The child is or will be enrolled in comparable health coverage, which will take effect no later than the effective date of such disenrollment.

- 4.10 When a covered employee divorces, coverage for the ex-spouse will terminate on the date of divorce. Premiums are paid on a monthly basis and not prorated. The employee must remit the employee contribution for the plan, which included the spouse for the entire month. The employee must submit a signed application within thirty (30) days prior to or 30 days following the date of divorce. If double state share terminates as a result of the divorce, the employee must pay the employee contribution for the entire month that the divorce occurred.

COST OF COVERAGE

(Used to determine the amount of State Share contributed toward an employee's coverage and the amount of employee contributions required, if any.)

- 5.01 "Regular officers and employees" begin earning State Share contributions on the first of the month following 90 days employment. See COVERAGE AND CONTRIBUTION TABLE for specific information regarding State Share payments and employee payroll deductions for employees who elect coverage when eligible for State Share.
- 5.02 Permanent part-time, limited term and per diem and contractual employees of the General Assembly as described in Section 1.01 are eligible to participate in the group, but are not eligible for State Share. Therefore, if they join the plan they must pay the full cost of the health plan they select. Payment must be collected by the organization and forwarded to the SPO Benefits Administration Accounting Unit by the first day of the month for which the employee's coverage becomes effective. If an existing full-time state employee takes a limited term position, State Share shall continue. Temporary, casual, and seasonal employees are not eligible to participate nor are they eligible for State Share.
- 5.03 When a husband and wife are both permanent full-time active employees, they shall earn state share contributions in accordance with the following:
 - a. If they elect to enroll in two individual contracts, the increment of cost of the options selected by the two employees which exceeds the **cost of two basic family plans**, shall be deducted by the State Treasurer from salary or pension.
 - b. If they elect to enroll in one employee & spouse or family contract, the increment of cost of the option selected by the employee which exceeds the **cost of two basic family plans**, shall be deducted by the State Treasurer from salary or pension.
- 5.04 When the spouse of an eligible employee is a retired State of Delaware employee receiving monthly pension, they may enroll as two individual contracts, employee and spouse contract, or a family contract. The increment of cost of the option selected by the employee which exceeds the cost of two basic family plans, shall be deducted by the State Treasurer from salary or pension. (A notation should be made in the employee's file that their spouse is a State of Delaware Pensioner. The Pension Office should be notified if the active employee terminates State Service.)
- 5.05 An eligible employee who elects to be covered prior to becoming eligible for State Share must pay the full cost of coverage until State Share begins.

- 5.06 If an employee selects coverage under an optional plan, the employee is responsible for paying the additional cost, if any, over and above the cost of the same coverage class (individual, employee & child(ren), employee & spouse, or family) under the “Basic” plan.
- 5.07 An employee who is eligible for the State Share contribution may not receive the cash equivalent in lieu of the coverage itself.
- 5.08 As of July 1, 2001, premiums are collected on a lag basis. (Example: January coverage is paid by deduction in the second pay of January plus deduction in the first pay of February). Each agency/school district/sub-group is responsible for reconciling premiums to assure proper employee/state share premiums have been remitted. Payments other than those made through the payroll system and all adjustments must be submitted in a timely manner to the SPO Benefits Accounting Unit. The Group Health Insurance Program will not be responsible for payment of premiums and/or claims if a signed enrollment form/confirmation statement/waiver is not in the employee file.
- 5.09 An eligible employee who returns from an authorized unpaid leave of absence is entitled to State Share payments upon return without fulfilling another three-(3) month waiting period. The employee must make application with their Human Resources Office for coverage within 30 days of return from leave of absence.
- 5.10 Any State employee who fails to make payment for his or her share of the cost of health coverage when he or she is eligible to continue coverage and does not have a pay advice from which payment can be deducted will have coverage canceled on the first (1st) day of the month following any month that an employee fails to pay the required share for the coverage selected.

(The Family and Medical Leave Act (FMLA) regulations provide that employees have a 30-day grace period for late premium payments. The employer's obligation to maintain health coverage ceases if an employee's premium payment is more than 30 days late. Agency personnel representatives should continue the employee's health coverage for the 30-day period provided under FMLA. The personnel representative can then do a retroactive cancellation if the required employee contribution was not paid by the end of the 30-day grace period.)

- 5.11 An employee who has a break in active employment due to authorized leave of absence, suspension, termination or unauthorized leave of absence without pay for a full calendar month, shall not be eligible for State Share for that calendar month and any subsequent calendar month that the employee is in a non-pay status for the entire calendar month. In the case of an authorized leave of absence, an intermittent return to work or use of paid leave of less than 5 days in one month, shall not entitle the employee to State Share contributions. Full payment must be made for the month in order to retain coverage. Upon return,

the employee is eligible for State Share without fulfilling another three month waiting period, provided the break was the result of any of the following:

- a. an authorized leave of absence;
- b. a suspension without pay;
- c. termination or unauthorized leave of absence for a period less than 30 calendar days.

- 5.12 The State Share will be paid for employees that are drawing Workers' compensation, provided the employee is not eligible for coverage from a subsequent employer. Such an employee must submit payment for their share of their coverage that would normally be deducted from their pay advice.
- 5.13 Any employee who has paid the State Share in order to insure continuation of health coverage then later is found to have been eligible for receipt of State Share is to be refunded the amount that was not paid by the State. In accordance with **Delaware Code Title 10, Chapter 81, Subsection 8111**, there is a one-year statute of limitations that applies to such a refund and an employee must make application for the refund within this time limit. Refunds of less than \$1.00 will not be made.
- 5.14 Teachers who are granted a sabbatical leave of absence are eligible for State Share while they are on such leave.
- 5.15 All employees whose positions are **involuntarily terminated** after they have been employed for a full year who return to full-time State employment within 24 months of their termination will be eligible for State Share without fulfilling another three month qualification period.
- 5.16 A temporary, casual, seasonal, limited term employee, or substitute who becomes a "Regular Officer or Employee" shall have his or her unbroken temporary, casual, seasonal, or limited term, provisional or permanent part-time "Aggregate State Service" applied toward their three month qualification period for State Share contributions. The "Aggregate State Service" must immediately precede becoming a "Regular Officer or Employee". The temporary, casual, seasonal, limited term employee, or substitute must have worked each pay cycle for the 3 (three) months prior to hire eligibility for state share - or last 3 (three) full months of the school year prior to September hire.
- 5.17 State Share shall continue for a "Regular Officer or Employee" who is temporarily appointed to a position that results in a dual incumbency.
- 5.18 Any active employee who is also receiving a survivor's pension through the State of Delaware shall receive double State Share. The increment of cost, which

exceeds the cost of two basic family plans, shall be deducted by the Director of State Personnel from salary.

- 5.19 Beginning July 1, 1994, a regular officer or employee called to active duty with Guard or Reserve for other than training purposes shall continue to receive state contributions toward health insurance coverage for a period of up to 180 days.

CONTINUATION OF COVERAGE

- 6.01 To continue optional coverage, a covered employee must pay the difference between the State Share contribution and the cost of the coverage selected; otherwise , their coverage will revert back to “Basic”.
- 6.02 An employee granted an unpaid authorized leave of absence can maintain membership in the group health plan by paying the full cost of coverage (State Share plus employee contribution) during the period of the leave as long as that leave of absence does not exceed two (2) years. An employee who returns from an authorized leave of absence, whether he or she maintains coverage or not while on leave of absence, is authorized to receive State Share upon return. (Eligibility for State share begins upon return without fulfilling another three-month qualification period). *An employee on FMLA leave is entitled to have pre-existing health insurance benefits (including the State of Delaware's share of the monthly cost) maintained while on an FMLA leave. If an employee was paying all or part of the premium payments prior to leave, the employee would continue to pay their share during the leave period. Failure to make such contribution within 30 days of the due date will result in termination of coverage.*
- 6.03 Optional coverage continues for teachers who are granted sabbatical leave provided they make the required payments for their share of the cost of their coverage; otherwise, their coverage reverts back to “Basic”. (State Share continues while they are on sabbatical leave.)
- 6.04 Employees leaving State Service, except for termination due to gross misconduct, are eligible for continuation under Federal COBRA legislation. Employees should call CobraServ at 1-800-877-7994 for details of this continuation option.
- 6.05 An eligible employee or eligible dependent that loses coverage under the State's group health care insurance program may continue coverage under COBRA. Upon expiration of the covered individual's COBRA eligibility, the individual may apply directly to the insurance company for a direct billed contract.

TERMINATION OF COVERAGE

- 7.01 Coverage ends on the last day of the month in which the employee terminates employment. A public school or higher education employee (less than 12 month employee) whose employment during a school year continues through the last scheduled work day of that school year shall retain coverage through August 31 of the same year so long as the required contributions have been made. In the event an Employee fails to make the required contributions for any optional coverage selected, coverage will revert to Basic coverage on the first day of the month for which the Employee failed to make the required contribution. If an employee works one day in the month in which they terminate, they shall earn state share for the entire month.
- 7.02 Coverage (and dependent coverage, if applicable) ends as of the end of the month in which the employee ceases to be an eligible employee for coverage (due to some change such as a reduction in the number of hours the employee works), or the end of the month in which an employee terminates employment.
- 7.03 Coverage of dependents, except for dependents of pensioners and dependents eligible for a survivor's pension, ends as of the last day of the month of the employee's death. Dependents who lose coverage as a result of the employee's death are eligible for continuation under Federal COBRA legislation. Contact CobraServ at 1-800-877-7994 for details of this continuation option.
- 7.04 Ex-spouses not employed by the state are not eligible for coverage under the State's plan. Coverage for the ex-spouse will terminate on the date of divorce. Premiums are paid on a monthly basis and not prorated. The employee must remit the employee contribution for the plan, which included the spouse for the entire month. The employee must submit a signed application within thirty (30) days prior to or thirty (30) days following the date of divorce. If double state share terminates as a result of the divorce, each state employee must pay the employee contribution for the entire month that the divorce occurred. The Group Health Insurance Program will not be responsible for payment of claims when a dependent is no longer eligible for coverage.
- 7.05 Coverage for a dependent child will end the earlier of the following:
- a. December 31st of the year in which he or she reaches age 21. If a full-time student coverage will end on the earlier of the following: (1) the end of the month in which the dependent child is no longer a full-time student, or (2) the end of the month in which the dependent child attains age 24.)
 - b. The last day of the month in which the child marries;

- c. The date the child ceases to be dependent on you or your spouse for at least 50% support per Sections 2.01(c),(d).

(The Family and Medical Leave Act (FMLA) regulations provide that employees have a 30-day grace period for late premium payments. The Employer's obligation to maintain health coverage ceases if an employee's premium payment is more than 30 days late. Agency personnel representatives should continue the employee's health coverage for the 30-day period provided under FMLA. The personnel representative can then do a retroactive cancellation if the required employee contribution was not paid by the end of the 30-day grace period.)

REINSTATEMENT OF COVERAGE

- 8.01 Once an employee has requested that his or her coverage be canceled, he or she cannot rejoin the State's plan until the next annual open enrollment period unless such employee qualifies under the rules of the exceptions (see rules 3.03 or 5.10).
- 8.02 An employee who returns from an authorized leave of absence not exceeding 24 months in duration who does not maintain coverage while on leave of absence, is permitted to enroll upon return without waiting for the next open enrollment period, provided the employee submits a signed application within thirty (30) days of return and pays the required employee contribution, if any. Coverage will begin as of the date the employee returns from leave following completion of the application and payment of any required employee contribution. Premiums are paid on a monthly basis and are not prorated.
- 8.03 Employees whose positions are *involuntarily* terminated after they have been employed for a full year (or full school year) will be eligible for State Share if they return to full-time State employment within 24 months of the termination.

MISCELLANEOUS

- 9.01 It is the responsibility of the employee to keep his or her agency personnel representative informed of any change of address or in status which results in the adding or dropping of dependents (marriage, divorce, birth, death, adoption, etc.) that affects their health care coverage. In turn, it is the responsibility of the personnel representative to make the necessary changes in the PHRST system, or to notify the State Personnel Office Benefits Unit of these changes. Failure to do so may affect eligibility of coverage or extent of coverage for any participant and could impose an extreme hardship on an employee. The State of Delaware Group Health Insurance Program will not be responsible for payment of premiums and/or claims in the event of ineligibility and/or the absence of a signed enrollment form/confirmation statement in the employee file.
- 9.02 If any provision of these Rules and Regulations or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or application of the Rules and Regulations which can be given effect without the invalid provision or application, to that end the provisions of these Rules and Regulations are declared to be severable.